

**RESOLUTION NO. 75078**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING A LOAN INCREASE, A COMMITMENT OF HOME FUNDS, AND FORGIVENESS OF ACCRUED INTEREST FOR THE 90 ARCHER STREET FAMILY APARTMENTS**

**WHEREAS**, on June 24, 2008, the Council of the City of San José (“City”) approved a funding commitment of up to \$1,800,000 of HOME Investment Partnership (“HOME”) program funds to Charities Housing Development Corporation (“Charities”) for the development of a rental housing project for lower income households; and

**WHEREAS**, on December 9, 2008, the City Council approved a funding commitment of up to \$4,580,000 to Charities or its designated affiliate for a land acquisition/predevelopment/construction/permanent loan for the development of the 42-unit 90 Archer Street Apartments project located at 90 Archer Street (“Project”) to be made available to extremely low and very low income households; and

**WHEREAS**, Charities has requested a construction/permanent loan increase of up to \$717,000 and for the City to forgive up to \$125,000 of accrued interest on the predevelopment and acquisition loans to help cover the increase in development costs; and

**WHEREAS**, Charities will use the \$1,800,000 HOME funds to fund the construction costs of 15 of the units in the Project; and

**WHEREAS**, the City desires to approve an increase of up to \$717,000 in the construction/permanent funding, bringing the construction/permanent funding to \$5,297,000, to Charities; to approve the forgiveness of up to \$125,000 in accrued interest on the City’s predevelopment and acquisition loans; and to commit the use of

\$1,800,000 of HOME funds, previously committed to Charities for the future development of a rental housing project to lower income households, as a project specific award of funds to the Project;

**NOW, THEREFORE,** BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. An increase in the construction/permanent funding of up to \$717,000, bringing the total City construction/permanent funding up to \$5,297,000, to Charities Housing Development Corporation ("Charities"), or its designated affiliate, for a land acquisition/predevelopment/construction/permanent loan for the development of the 42-unit 90 Archer Street Apartments project to be made available to extremely low and very low income households, as more specifically set forth in the Director of Housing's report dated July 13, 2009, is hereby approved.
2. The forgiveness of up to \$125,000 on accrued interest on the City's predevelopment and acquisition loans, as more specifically set forth in the Director of Housing's report dated July 13, 2009, is hereby approved.

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3. The commitment of the use of \$1,800,000 of HOME Investment Partnership program funds, previously committed to Charities for the future development of a rental housing project to lower-income households, as a project-specific award of funds to the 90 Archer project, as more specifically set forth in the Director of Housing's report dated July 13, 2009, is hereby approved.

ADOPTED this 4<sup>th</sup> day of August, 2009, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,  
LICCARDO, NGUYEN, REED.

NOES: OLIVERIO.

ABSENT: KALRA, PYLE.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk